

Assembly Bill No. 2534

CHAPTER 727

An act to add Division 20.4 (commencing with Section 30901) to, and to add Chapter 5.5 (commencing with Section 31220) to Division 21 of, the Public Resources Code, relating to coastal resources, and making an appropriation therefor.

[Approved by Governor September 20, 2002. Filed
with Secretary of State September 20, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2534, Pavley. Watershed, Clean Beaches, and Water Quality Act.

Existing law provides for the protection and preservation of the coast of California, and regulates water quality in the state.

This bill would enact the Watershed, Clean Beaches, and Water Quality Act, which would provide for a program of grants to public agencies and nonprofit organizations for projects designed to improve water quality at public beaches, improve water quality monitoring and sewer capability, protect water quality by reducing runoff pollution, and controlling nonpoint source water pollution. The bill would prescribe procedures for funding projects under the act, as provided.

The bill would appropriate specified amounts derived from the proceeds of bonds issued under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Proposition 40 at the March 5, 2002, primary election) to the State Water Resources Control Board, the State Coastal Conservancy, and the Department of Forestry and Fire Protection for expenditure for the purposes of the bill.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Division 20.4 (commencing with Section 30901) is added to the Public Resources Code, to read:

DIVISION 20.4. WATERSHED, CLEAN BEACHES, AND
WATER QUALITY ACT

CHAPTER 1. GENERAL PROVISIONS

30901. This act shall be known, and may be cited, as the Watershed, Clean Beaches, and Water Quality Act.

30902. The purpose of this division is to establish a statutory framework for funding water quality, clean beaches, and watershed protection projects from the proceeds derived from the issuance and sale of bonds and other revenue sources, and to specify how the Resources Agency and its constituent departments and boards, including the State Coastal Conservancy, and the California Environmental Protection Agency, and that agency's constituent departments, including the State Water Resources Control Board, will coordinate and integrate programs to fund projects.

30903. The Legislature hereby finds and declares all of the following:

(a) Clean beaches, clean water, and healthy watersheds are necessary to support both human communities and the state's native fish and wildlife, and are part of the legacy of California. Each generation has an obligation to be good stewards of those resources in order to pass them on to their children.

(b) California's 1,100-mile coastline is world-renowned. Coastal-related businesses provide seventeen billion dollars (\$17,000,000,000) annually to the state's economy and depend on the restoration and health maintenance of beaches.

(c) Clean water is essential to the state's communities and economy.

(d) Watershed management is a valuable approach to meeting comprehensive resource management and water quality objectives. Watersheds provide a useful, natural unit to integrate and coordinate the many natural resource functions of state agencies.

(e) Multiple state entities within the California Environmental Protection Agency and the Resources Agency are currently administering programs that provide technical assistance or financial support for various aspects of watershed management or restoration. Hundreds of watershed partnerships exist in the state, dedicated to the restoration and management of the state's streams, rivers, and lands, and the use of watershed management principles and practices. Coordinated watershed management implementation is crucial to addressing critical problems and the efficient use of public funds. The California Environmental Protection Agency and the Resources Agency are developing a strategic plan for fully integrated watershed investments.



30904. It is the intent of the Legislature that the purpose of maintaining clean beaches, clean water, and an integrated and coordinated watershed program is to protect beaches, coastal waters, rivers, lakes, and streams from contaminants, pollution, and other environmental threats.

30905. It is the intent of the Legislature to invest in projects that will reduce beach contamination and increase visitor days, including, but not limited to, developing the comprehensive capability to monitor and analyze water quality and pollutant transport in coastal waters. This will be demonstrated by measurable improvements in water quality on and near the state's beaches.

30906. It is the intent of the Legislature to invest in clean water projects that will do all of the following:

(a) Assist small local communities in meeting water pollution control requirements.

(b) Improve agricultural water quality and reduce pollutants in agricultural drainage water.

(c) Implement urban stormwater treatment programs and reduce nonpoint sources of pollution.

(d) Provide comprehensive capability to monitor and analyze water quality in groundwater basins throughout the state.

30907. It is the intent of the Legislature to require state agencies to encourage and support both of the following:

(a) The development of coordinated and complementary strategies and solutions for watershed management across land ownership and agency jurisdictional boundaries.

(b) Coordinated program delivery from state and federal agencies to fit the needs of individual watersheds.

30908. It is the intent of the Legislature that the state should coordinate and integrate its watershed programs and implement those programs by working with diverse interests at the local level. The state's watershed management goals should include, but need not be limited to, maintaining and restoring healthy watersheds that support thriving communities, provide clean water, and sustain natural habitats for future generations.

30909. It is the intent of the Legislature to invest in watershed management partnerships that use a community-based collaborative approach to meeting the state's watershed management goals. Allocation of funding should be balanced among large and small watersheds, coastal and inland watersheds, and effluent reduction and source protection, and should be geographically balanced. Priority should be given to projects and programs that implement programs that have multiple benefits.



CHAPTER 2. DEFINITIONS

30910. Unless the context otherwise requires, the following definitions govern the construction of this chapter:

- (a) “Board” means the State Water Resources Control Board.
- (b) “Local public agency” means any city, county, city and county, or district.
- (c) “Nonprofit organization” means any California corporation organized under Section 501(c)(3), 501(c)(4), or 501(c)(5) of the federal Internal Revenue Code.
- (d) “Public agency” means a city, county, city and county, district, the state or any agency or department thereof, and applicants eligible for technical assistance under Section 319 of the federal Clean Water Act (33 U.S.C. Sec. 1329) or for grants under Section 320 of the federal Clean Water Act (33 U.S.C. Sec. 1330).
- (e) “Regional board” means a regional water quality control board.

CHAPTER 3. CLEAN BEACHES PROGRAM

30915. The purpose of this chapter is to provide authorization for projects that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters.

30916. (a) Upon appropriation by the Legislature, funds provided under this chapter may be used by the board, in consultation with the State Coastal Conservancy, to award grants not to exceed five million dollars (\$5,000,000) per project to public agencies and nonprofit organizations for the purposes of this chapter. Grants may be awarded for any of the following projects:

- (1) A project designed to improve water quality at public beaches and to make improvements for the purpose of ensuring that coastal waters adjacent to public beaches meet the bacteriological standards set forth in Article 2 (commencing with Section 115875) of Chapter 5 of Part 10 of Division 104 of the Health and Safety Code.
 - (2) A project to make improvements to, or upgrades or conversions of, existing sewer collection systems and septic systems for the restoration and protection of coastal water quality.
 - (3) A project designed to implement stormwater and runoff pollution reduction and prevention programs, or for the implementation of best management practices, for the restoration and protection of coastal water quality.
- (b) The projects funded pursuant to this chapter shall be consistent with the state’s nonpoint source control program, as revised to meet the requirements of Division 20 (commencing with Section 30000), Section



6217 of the federal Coastal Zone Act Reauthorization Amendments of 1990, Section 319 of the federal Clean Water Act (33 U.S.C. Sec. 1329), Division 7 (commencing with Section 13000) of the Water Code, and the California Coastal Commission.

(c) The projects funded pursuant to this chapter shall demonstrate the capability of contributing to sustained, long-term water quality or environmental restoration or protection benefits for a period of 20 years, address the causes of degradation, rather than the symptoms, and be consistent with water quality and resource protection plans prepared, implemented, or adopted by the board, the applicable regional water quality control board, and the State Coastal Conservancy.

(d) An applicant for funds under this chapter shall be required to submit to the board a monitoring and reporting plan that does all of the following:

(1) Identifies the nonpoint source or sources of pollution to be prevented or reduced by the project.

(2) Describes the baseline water quality or environmental quality to be addressed.

(3) Describes the manner in which the project will be effective in preventing or reducing pollution and in demonstrating the desired environmental results.

(4) Describes the monitoring program, including, but not limited to, the methodology, and the frequency and duration of monitoring.

(e) Upon completion of the project, a recipient of funds under this chapter shall submit a report to the board that summarizes the completed activities and indicates whether the purposes of the project have been met. The report shall include information collected by the recipient in accordance with the project monitoring and reporting plan, including a determination of the effectiveness of the project in preventing or reducing pollution, and the results of the monitoring program. The board shall make the report available to the public, watershed groups, and federal, state, and local agencies.

(f) Not more than 25 percent of a grant may be awarded in advance of actual expenditure.

(g) An applicant for funds under this chapter shall inform the board of any necessary public agency approvals, entitlements, and permits that may be necessary to implement the project. The application shall certify to the board, at the appropriate time, that those approvals, entitlements, and permits have been granted.

(h) Where recovery plans for coho salmon, steelhead trout, or other threatened or endangered aquatic species exist, projects funded under this chapter shall be consistent with those plans and, to the extent feasible, shall seek to implement actions specified in those plans.



(i) The board shall appoint a Clean Beaches Task Force comprised of individuals representing the breadth and diversity of coastal communities. All proposals for funding shall be reviewed by the task force. The task force may recommend projects to the board for funding consideration.

30917. The board shall provide opportunity for public review and comment in awarding funds pursuant to this chapter, and may, in consultation with the State Coastal Conservancy, adopt regulations to implement this chapter.

CHAPTER 4. INTEGRATED CLEAN WATER PROGRAMS

Article 1. Small Community Wastewater Grant Program

30925. (a) For the purposes of this article, “small community” means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with a financial hardship, as determined by the board.

(b) The board may award grants under this article to assist small communities in meeting water pollution control requirements.

(c) The board may award grants under this article to projects that meet the definition of “eligible project” in Section 79120 of the Water Code.

(d) The board shall give priority to both of the following types of projects:

(1) Projects to install or replace sewer systems in communities that lack adequate sewers.

(2) Projects to assist communities with population growth pressures, to assist in the redesign and expansion of existing wastewater collection and treatment systems.

Article 2. Urban Storm Water Grant Program

30930. The board may award grants under this article to local public agencies for projects designed to implement stormwater runoff pollution reduction and prevention programs, including, but not limited to, diversion of dry weather flows to publicly owned treatment works for treatment, acquisition, and development of constructed wetlands and the implementation of approved best management practices, as required by stormwater permits issued by the state board or a regional board.



Article 3. Nonpoint Source Pollution Control Program

30935. (a) The board may award grants under this article to local public agencies and nonprofit organizations for projects that protect the beneficial uses of water throughout the state through the control of nonpoint source pollution.

(b) Except as authorized under subdivision (g), grants may be awarded only for projects that are one or more of the following:

(1) Consistent with local watershed management plans and with regional water quality control plans.

(2) Broad-based nonpoint source pollution projects, including, but not limited to, projects identified in the board's "Initiatives in NPS Management," dated September 1995, and in the nonpoint source technical advisory committee reports.

(3) Consistent with the "Integrated Plan for Implementation of the Watershed Management Initiative" prepared by the board and the regional boards.

(4) A project that implements watershed best management practices and measures.

(5) Consistent with the requirements of Section 6217(g) of the federal Coastal Zone Act Reauthorization Amendments of 1990 and has been identified as a needed project by the board under the 15-year implementation strategy and five-year implementation plan of the board's nonpoint source pollution control program.

(6) A project that improves the quality of drinking water supplies and addresses contamination by pathogens, organic carbon, or salinity.

(c) Projects funded under this article shall demonstrate a capability of sustaining water quality benefits for a period of not less than 20 years. Categories of nonpoint source pollution addressed by projects may include, but need not be limited to, silviculture, agriculture, urban runoff, mining, hydromodification, grazing, onsite disposal systems, boatyards and marinas, and animal feeding operations.

(d) Projects to address nonpoint source pollution may include, but need not be limited to, wildfire management, installation of vegetative systems to filter or retard pollutant loading, incentive programs or large-scale demonstration programs to reduce commercial reliance on polluting substances or to increase acceptance of alternative methods and materials, and engineered features to minimize impacts of nonpoint source pollution.

(e) Projects funded under this article shall have defined water quality or beneficial use goals.



(f) A local public agency or nonprofit organization that has a project funded under this article shall submit to the board a monitoring and reporting plan that does all of the following:

- (1) Identifies one or more nonpoint sources of pollution.
- (2) Describes the baseline water quality of the body of water impacted.
- (3) Describes the manner in which the proposed practices or measures are implemented.
- (4) Determines the effectiveness of the proposed practices or measures in preventing or reducing pollution.

(g) Notwithstanding subdivision (b), the board may award grants for demonstration projects that are intended to prevent, reduce, or treat nonpoint source pollution.

(h) A grant recipient shall submit a report to the board, upon completion of the project, that summarizes completed activities and indicates whether the purposes of the project have been met. The report shall include information collected by the grant recipient in accordance with the project monitoring and reporting plan, including, but not limited to, a determination of the effectiveness of the best management practices or management measures implemented as part of the project in preventing or reducing nonpoint source pollution. The board shall make the report available to watershed groups, and federal, state, and local agencies.

Article 4. Agricultural Water Quality Grant Program

30940. The board may award grants to public agencies or nonprofit organizations for the purposes of improving agricultural water quality through monitoring, demonstration projects, research, construction of agricultural drainage improvements, and for projects to reduce pollutants in agricultural drainage water through reuse, integrated management, or treatment. Grants made pursuant to this section may be used to provide matching funds for federal grant programs. The board, in consultation with the Department of Food and Agriculture, shall develop criteria for evaluating projects considered for grants under this section.

Article 5. Integrated Watershed Management Programs

30945. The purpose of this article is to establish a program for integrated watershed management to improve water quality, protect and restore habitat and fisheries, reduce flooding, control erosion and sedimentation, and improve local water supply reliability through better



groundwater monitoring, river corridor recreation, forest land and fuel management, and hydropower management.

30946. The California Environmental Protection Agency shall enter into a memorandum of understanding with the Resources Agency to ensure that the program established under this chapter is coordinated with other programs administered by those agencies, including, but not limited to, the grant process set forth in Section 30947. The memorandum of understanding shall establish a stakeholder advisory process to assist in setting priorities and allocating funds. The memorandum of understanding shall be completed and executed on or before April 30, 2003.

30947. (a) The Integrated Watershed Management Program is hereby established. Upon appropriation by the Legislature, funds allocated to the program may be used by the board, subject to the terms of the memorandum of understanding executed pursuant to Section 30946 to award grants to public agencies and nonprofit organizations for the development of local watershed management plans that meet the requirements of subdivision (c) of Section 79078 of the Water Code, and for the implementation of watershed protection and water management projects that include one or more of the following elements:

- (1) Stormwater capture and treatment.
- (2) Nonpoint source pollution reduction, management, and monitoring.
- (3) Groundwater recharge and management projects.
- (4) Water banking, exchange, and reclamation, and improvement of water quality.
- (5) Vegetation management to improve watershed efficiency, aquatic and terrestrial habitat, the creation and enhancement of wetlands, and the acquisition, protection, and restoration of open space.
- (6) Planning and implementation of multipurpose flood control programs that protect property and improve water quality and stormwater capture and percolation, and protect or improve wildlife habitat.
- (7) Watershed management planning and implementation.
- (8) Demonstration projects to develop new water treatment distribution and nonpoint source pollution control methods.
- (9) Erosion sediment control and stream enhancement projects, and permit coordination programs to facilitate watershed restoration projects that implement board approved management measures for polluted runoff.
- (10) Monitoring, collection, and analysis of water quality and pollutant transport in groundwater and surface water.



(11) Native fisheries enhancement or improvement projects, and projects to restore other threatened species.

(b) Upon completion of the project, the grantee shall submit a report to the board that summarizes the completed activities and indicates whether the purposes of the project have been met. The report shall include information collected by the grantee in accordance with the project monitoring and reporting plan, including, but not limited to, a determination of the effectiveness of the project in preventing or reducing pollution and the results of the monitoring program. The board shall make the report available to the public, watershed groups, and federal, state, and local agencies.

30948. Consistent with Section 30947, the board shall establish an accelerated selection and contracting procedure for projects that meet all of the following criteria:

(a) The project is part of an approved watershed management plan consistent with Section 30947.

(b) The project is fully permitted and ready to be implemented.

(c) Funding for the project includes matching funds or services donated from nonstate sources.

30949. No more than 50 percent of the funds made available to the board for the purposes of this article shall be used for the purposes of Section 30948.

Article 6. Small Community Groundwater Grant Program

30950. (a) For the purposes of this article, “small community” means a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less, with a financial hardship, as determined by the board.

(b) The board may award grants under this article to assist small communities in complying with groundwater contaminant level requirements.

(c) The board may award grants under this article to local public agencies and private not-for-profit water companies.

(d) The board shall give priority to both of the following types of projects:

(1) Projects to provide an alternate source of water or to treat water where the existing supply of groundwater exceeds the maximum contaminant level of arsenic.

(2) Projects to provide an alternate source of water or to treat water where the existing supply of groundwater exceeds the maximum contaminant level for nitrate.



(e) The board may make funds available under this article in each fiscal year to provide technical assistance or planning grants, or both, to small communities.

SEC. 2. Chapter 5.5 (commencing with Section 31220) is added to Division 21 of the Public Resources Code, to read:

CHAPTER 5.5. WATERSHED RESTORATION PROJECTS

31220. (a) In order to improve coastal water quality, the conservancy may undertake watershed restoration projects or award grants for those projects, consistent with this chapter. The conservancy shall consult with the applicable regional water quality control board in the development of the project or grant to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code.

(b) The conservancy may undertake a project or award a grant to a project only if the project does one or more of the following:

(1) Reduces contamination of waters within the coastal zone, including, but not limited to, coastal and near shore waters.

(2) Protects fish and wildlife habitat within coastal watersheds and coastal waters.

(3) Reduces erosion and sedimentation of coastal watersheds, including, but not limited to, permit coordination projects for watershed restoration.

(4) Provides for the purchase and installation of equipment to monitor and map coastal currents to predict and determine areas of contamination and pollutant transport in coastal waters. Any project considered under this paragraph shall be implemented in consultation with the Department of Fish and Game.

(5) Acquires, protects, and restores coastal wetlands, riparian areas, floodplains, and other sensitive watershed lands for coastal rivers.

(c) The conservancy shall consult with the State Water Resources Control Board on project selection. Projects funded pursuant to this section shall be consistent with local watershed management plans, if available, and water quality control plans adopted by the State Water Resources Control Board and regional water quality control boards, and shall include a monitoring and evaluation component.

SEC. 3. (a) From the funds deposited in the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund created pursuant to Section 5096.610 of the Public Resources Code, and which are made available for the purposes specified in paragraph (2) of subdivision (c) of Section 5096.650 of the Public



Resources Code, the following amounts are hereby appropriated to the State Water Resources Control Board:

(1) The sum of forty-six million dollars (\$46,000,000) for the Clean Beaches Program pursuant to Section 30916 of the Public Resources Code.

(2) The sum of fifteen million dollars (\$15,000,000) for the purposes of Section 30925 of the Public Resources Code.

(3) The sum of fifteen million dollars (\$15,000,000) for the purposes of Section 30930 of the Public Resources Code.

(4) The sum of twenty million dollars (\$20,000,000) for the purposes of Section 30935 of the Public Resources Code.

(5) The sum of twelve million dollars (\$12,000,000) for the purposes of Section 30940 of the Public Resources Code.

(6) The sum of ten million dollars (\$10,000,000) for the purposes of Section 30950 of the Public Resources Code.

(7) The sum of fifty-seven million dollars (\$57,000,000) for the purposes of the Integrated Watershed Management Program established under Section 30947 of the Public Resources Code. Of this amount, seven million dollars (\$7,000,000) shall be used for the purposes of groundwater monitoring, collection, and analysis as specified in paragraph (10) of subdivision (a) of Section 30947.

(b) The funds appropriated in this section are available to the State Water Resources Control Board for expenditure in accordance with the provisions governing the programs listed in subdivision (a), and for associated programmatic costs.

SEC. 4. From the funds deposited in the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund created pursuant to Section 5096.610 of the Public Resources Code, and which are made available for the purposes specified in paragraph (2) of subdivision (c) of Section 5096.650 of the Public Resources Code, the sum of forty-six million four hundred thousand dollars (\$46,400,000) is hereby appropriated to the State Coastal Conservancy for the purpose of funding the coastal watershed protection projects authorized under Section 31220 of the Public Resources Code, and for associated programmatic costs. Of this amount, the conservancy shall allocate seven million dollars (\$7,000,000) for the purpose of funding projects that meet the requirements in paragraph (4) of subdivision (b) of Section 31220 of the Public Resources Code.

SEC. 5. From the funds deposited in the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund created pursuant to Section 5096.610 of the Public Resources Code, and which are made available for the purposes specified in paragraph (2) of subdivision (c) of Section 5096.650 of the Public Resources Code, the



sum of two million dollars (\$2,000,000) is hereby appropriated to the Department of Forestry and Fire Protection for forest resource improvement projects under Chapter 1 (commencing with Section 4790) of Part 2.5 of Division 4 of the Public Resources Code and for associated programmatic costs.

SEC. 6. Notwithstanding any other provision of law, the funds appropriated under this act shall be available for encumbrance until December 31, 2006.

SEC. 7. Eligible projects funded under this act with proceeds from the sale of bonds shall comply with the restrictions specified in Section 16727 of the Government Code.

SEC. 8. Of the total amount derived from the proceeds of bonds and appropriated under this act, not more than 5 percent may be expended for associated programmatic costs.

